

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, FEBRUARY 21, 2001**

A. ROLL CALL

The Regular City Council meeting of February 21, 2001 was called to order by Mayor Nakanishi at 7:00 p.m.

Present: Council Members – Hitchcock (left at 12:20 a.m.), Howard, Land, Pennino and Mayor Nakanishi

Absent: Council Members – None

Also Present: City Manager Flynn, Deputy City Manager Keeter, Public Works Director Prima, Community Development Director Bartlam, City Attorney Hays and City Clerk Blackston

B. INVOCATION

The invocation was given by Jan Foster, representative of the Baha'i.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Boy Scouts Troop No. 199.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 (a) Awards – None

D-2 (a) Proclamations – None

D-3 (a) Ashkon Shaahinafar, member of the Greater Lodi Area Youth Commission, acknowledged the Teen of the Month, Amy Curlee from Lodi High School.

D-3 (b) Dennis Bennett, Chairman of the Hutchins Street Square Foundation, presented a monetary gift to the City in the amount of \$50,000 as part of their repayment program toward Hutchins Street Square Performing Arts and Conference Center. He reported that \$750,000 of cash gifts has been given to the City since their repayment program began and additional in-kind contributions have exceeded \$440,000. He reminded the Council that they have had a relationship of matching funds toward this program that has been very successful and is an excellent tool to solicit donations and contributions. Tonight's gift meets their annual obligation of \$150,000 through June 30, 2001.

Council Member Land thanked Mr. Bennett for his many years of support to Hutchins Street Square. He commented that the matching fund agreement established three years ago will expire in a few months and asked the City Manager to bring the matter back to the Council for consideration of an extension.

D-3 (c) Mayor Nakanishi presented a Certificate of Recognition to Community Promotions and Project Coordinator, Cynthia Haynes, for the City of Lodi Census 2000 program. Ms. Haynes thanked the partnerships that participated in the Census effort. The Council of Governments formed a Census 2000 Committee on which Ms. Haynes represented the City of Lodi. In the recent census count Lodi exceeded the national level by 7%. Lodi Community Service Center assisted non-English speaking residents, Lodi Unified School District held rallies, and the City Transportation Coordinator assisted with translating languages for brochures that were available on GrapeLine buses.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Hitchcock, Howard second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

NOTE: Due to a potential conflict of interest, Council Member Land abstained from discussion and voting on Item E-16.

- E-1 Claims were approved in the amount of \$7,651,299.58.
- E-2 "Minutes - January 17, 2001 (Regular Meeting), January 23, 2001 (Shirtsleeve Session), February 6, 2001 (Shirtsleeve Session), February 6, 2001 (Special Meeting), February 7, 2001 (Special Meeting), February 12, 2001 (Special Meeting) and February 13, 2001 (Shirtsleeve Session)" was **removed from the Consent Calendar and discussed and acted upon under the Regular Calendar.**
- E-3 "Approve plans and specifications and authorize advertisement for bids for Elm Street Improvements, School Street to Sacramento Street" was **removed from the Consent Calendar and discussed and acted upon under the Regular Calendar.**
- E-4 Approved the request for proposal for concession operations at Lodi Lake Park and authorized advertising for bids.
- E-5 Adopted Resolution No. 2001-35 authorizing the purchase of Uninterrupted Power Systems (UPS) for traffic signals, and appropriated funds in accordance with staff recommendation.
- E-6 Adopted Resolution No. 2001-36 awarding the bid for the purchase of 12 single-phase, and 7 three-phase padmount transformers to the bidders whose proposals and equipment met City of Lodi specifications, and whose transformers are expected to yield the lowest overall life-cycle costs:
- | | | |
|--|--------------------------------|---------------------------|
| Howard Industries, Laurel, MS | 12 ea. 75KVA 240/120V 1-phase | \$19,001.70 |
| Western States Electric,
Portland, OR | 3 ea. 225KVA 208Y/120V 3-phase | \$12,751.65 |
| | 2 ea. 300KVA 208Y/120V 3-phase | \$10,984.35 |
| | 2 ea. 300KVA 480Y/277V 3-phase | <u>\$10,184.55</u> |
| | | <u>\$33,920.55</u> |
| | | \$52,922.25 |
- E-7 Adopted Resolution No. 2001-37 awarding the bid for the purchase of 20,000 feet of #2 15kV concentric neutral primary underground cable to the low bidder, Nexans, through their Northern California distributor, Isberg Nott Company, of San Ramon, in the amount of \$16,381.50.
- E-8 Adopted Resolution No. 2001-38 awarding the contract for Lower Sacramento Road Utilities, Kettleman Lane to Turner Road, to Crutchfield Construction, of Stockton, California, in the amount of \$165,703.00, and appropriated funds in accordance with staff recommendation.
- E-9 Adopted Resolution No. 2001-39 awarding concession operations at Armory Park and Softball Complex to Out of Play Concessions with a return to the City of 24% of gross sales from concession operations.
- E-10 Adopted Resolution No. 2001-40 awarding the contract for Tree Trimming (Power Line Clearing) to Arbor Tree Surgery, of Paso Robles, California, at a cost of \$151,000 for the remainder of the 2000/2001 fiscal year (evaluated cost of \$211.25 per hour).
- E-11 Accepted the improvements under the Legion Park and Lawrence Park Tree Trimming, 2000 contract.
- E-12 Accepted the improvements under the Lane Line Painting, Various City Streets, 2000 contract.

- E-13 Accepted the improvements under the "Loel Senior Center Bus Shelter and Street Improvements" contract and directed the City Engineer to file a Notice of Completion with the County Recorder's office.
- E-14 Accepted the improvements under the "Walkway Improvements, Lodi Lake Park, Glaves Park, and Beckman Park" contract.
- E-15 Approved the Improvement Agreement for the Public Improvements of 200 West Lodi Avenue (APN 045-020-057), directed the City Manager and City Clerk to execute the agreement on behalf of the City; and appropriated funds for the required reimbursement.
- E-16 Authorized the Treasurer and Deputy Treasurer to enter into agreements with the Farmers and Merchants Bank of Central California for the issuance of a City credit card for Deputy City Manager, Janet S. Keeter, and Public Works Director, Richard C. Prima, Jr. (NOTE: Due to a potential conflict of interest, Council Member Land abstained from discussion and voting on this matter.)
- E-17 "Authorize the City Manager to enter into a contract with the Human Services Agency of San Joaquin County to administer an after school enrichment program at Lockeford Elementary School" was **removed from the Consent Calendar and discussed and acted upon under the Regular Calendar.**
- E-18 Adopted Resolution No. 2001-41 authorizing the City Manager to provide funding in the amount of \$50,000 to renew the Public Benefits Program – Residential Heating, Ventilation, Air Conditioning (HVAC) Rebate Program (this program is targeted to begin March 12, 2001, and continue until funds are exhausted).
- E-19 Adopted Resolution No. 2001-42 authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$26,278.93 to fund the Lodi Unified School District Demand-side Management Project (the grant represents the standard 25% match from the Public Benefits Program Fund to a commercial/industrial customer).
- E-20 Adopted Resolution No. 2001-43 authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$35,000 to fund the EUD Solar Port/EV Charging Station Project Benefits Program grant for the construction of the Lodi Solar Port/EV Charging Station Project; and authorizing the City Manager to execute an agreement with Sacramento Municipal Utility District (SMUD) for the oversight and implementation of this project.
- E-21 Approved the list of projects for submittal to San Joaquin County Council of Governments (COG) for the "San Joaquin ONE VOICE".
- E-22 "Adopt resolution accepting the Oliver Tecklenburg/William Beckman Reorganization Proposal to annex approximately 27 acres to the City of Lodi with concurrent detachments from the Woodbridge Rural County Fire Protection District, Northern San Joaquin County Water Conservation District, and Road District No. 4" was **pulled from the agenda pursuant to staff's request.**
- E-23 "Authorize use of Dial-A-Ride from Delta College to Lodi, Monday through Friday evenings" was **removed from the Consent Calendar and discussed and acted upon under the Regular Calendar.**
- E-24 "Set Public Hearing for March 7, 2001 to consider proposals for uses of the City's 2001-2002 Federal allocation of Community Development Block Grant (CDBG) and HOME funds" was **removed from the Consent Calendar and discussed and acted upon under the Regular Calendar.**

- E-25 Set Public Hearing for March 7, 2001 to consider Planning Commission's recommendation that the City Council: 1) adopt a General Plan Amendment to change from PR, Planned Residential to NCC, Neighborhood Community Commercial; and 2) a Rezoning from AU-20, Agriculture Urban Reserve to CS, Commercial Shopping, for a 15.5 acre portion of the property located at 302 State Route Highway 12, APN 058-030-01 and to initiate annexation of the property into the City of Lodi.
-

F. PUBLIC HEARINGS

- F-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Nakanishi called for the Public Hearing to consider a Resolution to Vacate the 6-foot public utility easement along the north property line of Lot 189, Lakewood Subdivision, Unit No. 4.

City Engineer Wally Sandelin reported that the Planning Commission recommended that the final resolution be adopted by Council to vacate the 6-foot public utility easement and replace it with a new 6-foot easement that will lie under the utility lines that exist on the property.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Pennino, Hitchcock second, unanimously adopted Resolution No. 2001-44 entitled, "A Resolution Of The Lodi City Council Vacating A 6-Foot Public Utility Easement Along The North Line Of Lot 189, Lakewood Subdivision, Unit No. 4"

- F-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Nakanishi called for the Public Hearing to consider a resolution establishing an area of benefit and reimbursable costs for Tienda Drive improvements fronting the parcels located at 2223 and 2241 West Kettleman Lane (APN 027-040-17 and 027-040-79, respectively).

City Engineer Wally Sandelin explained that at the time Sunwest 14, Unit 1, developed as a residential project the City was able to acquire some right-of-way immediately adjacent to the new Roget park. The City obtained the cooperation from the developer to build the full street improvements on Tienda Drive. Subsequently, staff worked with property owners on the two lots across the street to the south from Roget Park. The property owners understood that Council would be considering a zone of benefit to establish the dollar amount and also the mechanism for reimbursement by the two parcels of the street improvements that the City had already constructed. Mr. Sandelin stated that the amount of the reimbursements contained in the staff report are consistent with the amounts understood by the two property owners of the subject zone of benefit.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Pennino, Howard second, unanimously adopted Resolution No. 2001-45 establishing an area of benefit and reimbursable costs for Tienda Drive improvements fronting the parcels located at 2223 and 2241 West Kettleman Lane (APN 027-040-17 and APN 027-040-79, respectively).

- F-3 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Nakanishi called for the Public Hearing to consider Environmental Assessment (EA) for the Lodi Station Parking Structure; certify the EA; ~~adopt a resolution awarding the contract to F&H Construction (\$6,661,000) pending federal funding approval; and appropriate \$6,954,000 for the project.~~

City Manager Flynn noted that the action requested for this item has been amended to delete the award of the contract.

Public Works Director Prima explained that staff has been dealing with two separate environmental and funding processes for this project. Staff met late last night with Federal Transit Officials and Council of Governments (COG) staff, and they are still working on this issue. Staff has not completed all of the environmental assessment steps, which include a 30-day waiting period once it is certified. COG is currently working diligently regarding an amendment to the Federal Transportation Improvement Program. Mr. Prima outlined environmental mitigations included in the project: 1) color of the building façade was changed to a sandy yellow color; 2) the structure was moved 11 feet further north from the property line on Pine Street; 3) a large canopy tree was added to soften the corner of the structure behind the Lodi Arch; and 4) trees on the Pine Street frontage were changed to a more columnar variety. He noted that a traffic signal at the corner of Lockeford and Sacramento Streets will be added as well.

Mr. Flynn pointed out that mitigation measures 1 – 3 as described by Mr. Prima were required by the State Historic Preservation Office.

Hearing Opened to the Public

- Wilbert Ruhl, 265 Almond Drive, Lodi, stated that he is against using Measure K money for this project. He alleged that Measure K (the ½ cent sales tax) was passed illegally, as it did not have a 2/3 vote. He felt that Measure K was intended only to improve streets, and the Lodi Parking Structure is an inappropriate project to use those funds for.
- Bing Taylor, 1430 Holly Drive, Lodi, noted that he is Vice President of the Lodi Historical Society; however, he is not speaking on their behalf at this time. He suggested that the Parking Structure should have an additional story or two added which would allow more space between it and the Lodi Arch. He questioned the addition of another tree between the structure and Arch, as it would only take up more space.

Public Portion of Hearing Closed

MOTION:

Council Member Hitchcock made a motion, Pennino second, to adopt Resolution No. 2001-46 entitled, "A Resolution of the Lodi City Council Certifying the Environmental Assessment as Adequate Environmental Documentation for the Lodi Station Parking Structure".

DISCUSSION:

In response to Mayor Pro Tempore Pennino, Community Development Director Bartlam reported that the Parking Structure setback from Pine Street is now 11 feet and the original proposal was for 5 feet. The structure will be 25 feet away from the Lodi Arch.

VOTE:

The above motion carried by a unanimous vote.

G. COMMUNICATIONS

- G-1 On recommendation of the City's contract administrator, Insurance Consulting Associates, Inc. (ICA), and Human Resources staff, the City Council, on motion of Council Member Hitchcock, Howard second, unanimously rejected the following claims:
- a) Elvia P. Silvas, date of loss 3/22/00
 - b) Enoch Schmidt, date of loss 12/31/00
 - c) Brian Cox, date of loss 8/25/00
- G-2 Alcoholic Beverage Control License Applications – None
- G-3 Reports: Boards/Commissions/Task Forces/Committees – None
- G-4 The following postings/appointments were made:
- a) The City Council, on motion of Council Member Howard, Hitchcock second, unanimously made the following appointments:
 - Lodi Arts Commission
Robin Knowlton Term to expire July 1, 2001
 - Site Plan and Architectural Review Committee (SPARC)
Howard Vogel Term to expire January 1, 2002
- G-5 Miscellaneous – None

H. REGULAR CALENDAR

- H-1 "Downtown parking update (information only)"

Associate Traffic Engineer Paula Fernandez outlined the downtown parking projects that will be completed by the opening of the new downtown theater scheduled for June 1, 2001: 1) Elm Street parking lot – 58 spaces; 2) conversion to angled parking on several cross streets – 54 spaces; 3) Civic Center parking lot – 77 spaces; 4) evening hour and weekend parking at 207 W. Elm Street – 30 spaces; 5) evening hour and weekend parking at two banks – 126 spaces; and 6) Church and Elm Street parking structure – 300 spaces. The transit promotion and trolley loop will extend hours and increase advertising. Time restrictions for parking will be changed and there will be improvement made on parking signs.

Lew Van Buskirk, Executive Director of the Downtown Lodi Business Association (DLBP), thanked City staff for their assistance in solving parking problems in the downtown area. He commented that brochures outlining the parking areas would be distributed.

Council Member Land emphasized the critical importance of the theater being successful from the first day of operation. He pointed out that the theater building will also have additional retail space, which will further increase parking problems. In reference to Ms. Fernandez' report, he felt that an additional 300 parking spaces needed to be created within six months of the theater opening. Council Member Land asked staff to return to Council with a fast track plan for the multi-level parking structure next to City Hall.

Mayor Nakanishi concurred with Council Member Land's comments.

Council Member Hitchcock cautioned that Council not act too quickly. She stated that the multi-level parking structure on Elm and Church Street should be prioritized with other projects and funding considered carefully.

In reply to Council Member Hitchcock, Public Works Director Prima reported that \$4.5 million dollars has been budgeted for the parking structure on Elm and Church Street.

H-2 "Adopt resolution approving the Westside Facility Master Plan"

Community Development Director Bartlam explained that the proposed Westside Facility Master Plan guides the City's public facility infrastructure for the area generally bounded by Kettleman Lane on the south, Woodbridge Irrigation District on the north, and Lower Sacramento Road to the east. This area encompasses approximately 375 acres. The intent of this plan is to get ahead of future development that might take place elsewhere in this area. The utilities/infrastructure include: storm drainage, circulation, parks and recreation requirements, and underground utility infrastructure. One half mile west of Lower Sacramento Road is the City's current General Plan boundary. The General Plan calls for a buffer to separate what will eventually be built land, from agricultural land to the west. A linear storm drain basin will complement that buffer and be able to deal with phasing opportunities that this area might bring forth. These basins would form the western boundary of the City and provide a distinctive buffer and entry into the City. The second element of the Master Plan is to solidify the circulation system. Staff proposes a traffic circle on Sargent Road and Lodi Avenue as a way of identifying an entry into the community and to residential neighborhoods. Mr. Bartlam stated that the best location for the electric utility substation would be south of Kettleman Lane.

Mayor Pro Tempore Pennino commended staff for what he termed as a "great vision" for the west side. He recommended and received Council concurrence to amend page 14 of the Master Plan to state "25-yard or 50-meter pool." He asked that staff consider a median by the commercial area west of Lower Sacramento Road / Lodi Avenue, as he felt it would enhance the area.

Council Member Howard stated that some of the residents near Taylor Road, south toward Kettleman Lane, had expressed concerns about the linear nature of the storm drains. She clarified that Council's action this evening on the Master Plan will not set the storm drains in the exact alignment as shown on the plan. At the time the storm drains are designed, homeowners will be approached regarding annexation issues and/or their requests to deviate the storm drain basin. In reference to the circular round-about proposal, Ms. Howard stated that she previously expressed concern that a variety of sizes of vehicles would be able to maneuver it smoothly and was assured by staff that they would.

In response, Mr. Bartlam commented that one of the favorable aspects of the Master Plan is its flexibility in terms of necessary width or exact alignment. Staff has purposefully shown on the Plan at the end of Taylor Road how the storm drain system can go around a piece of property, as long as the necessary basin effect can be created for capturing storm water within the area.

PUBLIC COMMENTS:

- Dave Dollinger, 101 E. Highway 12, Lodi, stated that he has attended several public meetings on this subject since the issue was first brought up on May 15, 2000. Mr. Dollinger explained that he purchased his property one half mile west of Lower Sacramento Road in 1975. His residence and businesses are located on the property, and he is adamantly opposed to the storm drain basin proposal running all the way down to Harney Lane. Mr. Dollinger indicated that he was told the City will develop the basins over a period of time in a series of "lagoons," and perhaps many years from now, the City will take his property from him.

Mayor Pro Tempore Pennino explained that the Master Plan is a concept only and is necessary for the purpose of creating a long-range vision.

Council Member Hitchcock commented that it might be 20 to 30 years before the storm drain basin is built.

MOTION:

Council Member Howard made a motion, Nakanishi second, to amend the Master Plan to end the drainage basin and/or allow deviation around the property owners (in the proximity of Kettleman Lane); and include this on page 9, Conceptual Land Use/Circulation Plan, of the Westside Facilities Master Plan.

DISCUSSION:

Mayor Pro Tempore Pennino explained that the Master Plan guides the future of Lodi. He was opposed to making an amendment to the Plan, as it would impinge the right of future property owners and Council Members to participate in decisions regarding amendments and specific alignment of the basin. He offered a substitute motion to approve the Master Plan as written, with the exception of the pool amendment.

Council Member Hitchcock concurred that the Plan should be approved as submitted, noting that drainage has to flow downhill and it would not make sense to end the basin above the area indicated on the Plan.

Mayor Nakanishi stated that he favored helping the property owner at this time and if future Council Members wanted to amend the Plan they could do so later.

Council Member Pennino added that altering the length of the basin would create serious and potentially expensive drainage problems for neighboring parcel owners.

Community Development Director Bartlam stated that the basin could meander to the east or the west of the area in question, but ending it above that area would cause drainage problems. He recommended that Council approve the Plan as presented. Absent that, he suggested adding language that would allow some flexibility for specific alignment as the drainage plan is fine-tuned.

Mayor Pro Tempore Pennino requested that the minutes reflect that it is the desire of the City to protect private property rights and for staff to work with the property owners in the future and consider any concessions in the alignment of the basin that are feasible.

VOTE:

The above motion **failed** by the following vote:

Ayes: Council Members – Howard and Mayor Nakanishi

Noes: Council Members – Hitchcock, Land and Pennino

Absent: Council Members – None

MOTION / VOTE:

Further, the City Council, on motion of Mayor Pro Tempore Pennino, Hitchcock second, adopted Resolution No. 2001-47 entitled, "A Resolution of the Lodi City Council Approving the Westside Facility Master Plan" with an amendment to page 14, Section 3.1 Westside Park, last sentence "...a 25-yard or 50-meter multi-purpose pool..." The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Land, Pennino and Mayor Nakanishi

Noes: Council Members – Howard

Absent: Council Members – None

RECESS

At 8:40 p.m., Mayor Nakanishi called for a recess and the City Council meeting reconvened at 8:55 p.m.

H. REGULAR CALENDAR (Continued)

- H-3 "Adopt resolution authorizing the City Manager to execute a professional engineering services agreement with Nolte Associates, Inc.; and appropriate funds for the Lodi Westside Drainage Study (\$18,400)" was ***pulled from the agenda pursuant to staff's request.***
- H-4 "Adopt resolutions related to the San Joaquin Multi-Species Habitat Conservation and Open Space Plan as follows:
- "a) Consideration of the Environmental Impact Report as a responsible agency under 15096 of the CEQA Guidelines and adopt the Habitat Conservation Plan (HCP);
 - "b) Approve the completion, signing and submittal of the Section 10(a)(1)(B) Incidental Take Permit application;
 - "c) Adopt the Implementation Agreement with the acceptance of revisions outlined in the letter of clarification dated January 19, 2001 to the California Department of Fish and Game; and
 - "d) Approve the proposed amendment to the San Joaquin Council of Governments Joint Powers Agreement"

Mayor Pro Tempore Pennino, speaking on behalf of the Council of Governments (COG), reported that the San Joaquin Multi-Species Habitat Conservation and Open Space Plan presented this evening took seven years to complete. The purpose of the Plan is to provide a balance between the need to accommodate development and the need to protect listed endangered species. Activities covered include: urban development, expansion of existing urban boundaries, non-agricultural activities occurring outside of the urban boundary lines, levee maintenance, transportation projects, school expansions, flood control projects, utility installation, and maintenance activities. The Plan is voluntary. Fees can be paid through permits or mitigated directly with Fish and Game, Fish and Wildlife. Benefits of the Plan include: 1) providing a one-stop permitting process; 2) providing 50 years of private property protection; and 3) results in an annual estimated savings of \$6.3 million between residential taxpayers and local government permitting agencies. Over the life of the plan it is estimated to save a total of \$318 million. Sixty-five percent of the funds will be used for acquisition, 15% through enhancement, 16% through land management, and 4% through administration.

In reply to Mayor Nakanishi, Amy Augustine, representing COG, 270 S. Barretta, Sonora, reported that a staff member of the Mosquito and Vector Control District participated in developing the Plan. The District has pesticides that work very well in wetlands. The Plan specifies that prior to a preserve purchase there must be a management plan that will describe what will be done in terms of mosquito abatement on the preserve.

In response to questions by Council Member Hitchcock, Mayor Pro Tempore Pennino explained that there is an escalation clause for updating fees, which is adjusted on an annual basis. In addition, Fish and Game, Fish and Wildlife, will cease the permit if fees are deficient after a third year period in developing the habitat. He commented that the fee portion of the Plan alone took two years to develop. The result was a compromise between the building industry, environmental industry, and agricultural community.

In reference to Council Member Hitchcock's inquiry about a greenbelt between Lodi and Stockton, Ms. Augustine reported that there is some foraging land in the area for Swanson's Hawks so it could be pursued as a preserve area for multi-purposes including a buffer between communities.

Council Member Land acknowledged Mayor Pro Tempore Pennino for receiving an Excellence Award last Friday from COG for his work on the Habitat Plan.

PUBLIC COMMENTS:

- Ron Addington, 920 W. Oak Street, Lodi, stated that it is an exceptional Plan and recommended Council approval.
- Sylvia Kothe, President of the League of Women Voters of San Joaquin County, 688 N. Regent, Stockton, urged Council to endorse the Plan. She stated that it is an equitable balance between preservation of agricultural land, protection of life supporting ecosystems, and the recognition of land as a resource that is part of our heritage.
- John Ledbetter, 18501 Cherry Road, Lodi, spoke in support of the Plan and emphasized the importance of protecting the property rights of landowners in the area where the Plan will take effect.
- Jeffery Kirst, President of Tokay Development Company, and Director of the Building Industry Association of the Delta, commended COG for its work on the Plan and recommended Council approval.
- Waldo Holt, Conservation Chair of the San Joaquin Audubon Society, 3900 River Drive, Stockton, spoke in support of the Plan and urged a positive vote from the Council.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Pennino, Land second, unanimously adopted the following resolutions:

- Resolution No. 2001-48 entitled, "A Resolution Of The Lodi City Council Adopting The San Joaquin County Multi-Species Habitat Conservation And Open Space Plan And The Associated Environmental Impact Report";
- Resolution No. 2001-49 entitled, "A Resolution Of The Lodi City Council Approving The Completion, Signing, And Submittal Of A Section 10(A)(1)(B) Incidental Take Permit Application To The U.S. Fish And Wildlife Service";
- Resolution No. 2001-50 entitled, "A Resolution Of The Lodi City Council Approving An Implementation Agreement, With The Acceptance Of Revisions Outlined On The Letter Of Clarification Dated January 19, 2001 To The California Department Of Fish And Game, Regarding The San Joaquin County Multi-Species Habitat Conservation And Open Space Plan"; and
- Resolution No. 2001-51 entitled, "A Resolution Of The Lodi City Council Approving Amendment To The San Joaquin Council Of Governments Joint Powers Agreement".

- H-5 "Adopt resolution authorizing execution of an amendment to an existing Interest Rate
H-6 Swap Agreement between the City and Salomon Smith Barney" **and** "Adopt resolution authorizing execution of a new Interest Rate Swap Agreement between the City and Salomon Smith Barney"

NOTE: The City Council discussed Items H-5 and H-6 together.

Electric Utility Director Vallow announced that "everything humanly possible" is being done to avoid rate increases and reduce financial risk to customers. He recalled that 1.5 years ago Electric Utility brought an interest rate swap plan to Council, which they are bringing forward for consideration again tonight.

Doug Auslander, Director of Salomon Smith Barney (SSB), reported that in 1999 the City borrowed \$42 million to finance public power improvement projects and in conjunction with that his company did a fixed to floating swap. At that time, SSB saw an opportunity to capture some additional value for the City and increase the rate of the return on the City's fixed receiver swap by doing it on a forward basis. When SSB did the bonds in

September, they had the swap start in March so the City could receive a higher rate and get further protection against variable rates increasing, as well as giving the City more cash flow over time. He reported that since March 29 the City earned almost \$350,000.

Mr. Auslander explained that the basis swap is a transaction where the City will receive a taxable-floating rate of interest in exchange for paying a tax-exempt floating rate of interest. A benefit of this is an immediate cash flow when interest rates rise. There is risk if marginal personal federal income tax rates decline below 29% (today they are 39.6%). The basis swap is also a hedge against rising rates. Mr. Auslander stated that if the Council believes the highest marginal personal income tax rates are going to go to 28% or lower, they probably should not agree to the proposed transaction.

Council Member Howard stated that the proposal for suspending the current swap would be for three years. After three years the City would look again at how things are going and decide at that time whether to reintroduce a varying swap or not.

Mr. Auslander reported that if SSB suspends, then their recommendation would be to do this on a forward starting basis coincidental with the termination period. He explained that market conditions and the slope of the yield curve could change. He clarified that what staff is asking for is the authority to make that decision within the parameters of the basis swap being done coincidental with the termination period and inside two to three years based on market conditions.

City Manager Flynn introduced Cameron Parks from Public Financial Management (PFM) and explained that his role is to evaluate and advise the City on financial transactions.

In reply to Mr. Flynn, Mr. Parks stated that PFM is not a party to the proposed transaction. PFM serves as a "go between" between SSB and the City. PFM serves the City in an advisory role and are compensated hourly or at a fixed negotiated fee. Mr. Parks stated that the basis swap transaction provides the City with a hedge in a rising interest rate environment. PFM's recommendation is that this transaction is a function of the City's view of marginal tax rates. If the City believes that marginal tax rates are not going to go below the break even rate that SSB provided, this transaction would be advisable; however, if the City feels that the tax rates will go below the break even rate, PFM would not recommend the transaction.

In response to Council Member inquiries Mr. Parks indicated that it is impossible for him to forecast future changes in marginal personal federal income tax rates. He pointed out that there is currently an existing risk for the City if they take no action and interest rates rise. In that case, the existing variable rate swap that the City holds would result in the City having to make a net payment to SSB on a semi-annual basis. This transaction is not predicated by having partaken in the prior fixed to floating rate swap, but rather the Electric Utility having reserves which bear interest at an interest rate predetermined and then having to reset those rates over time as those securities mature.

Upon further questioning, Mr. Parks stated that it appears that a significant drop would be required in marginal tax rates in order to make this basis swap not a feasible and viable one for the City. PFM has reviewed both SSB proposals and see both as reasonable. If the City does choose to move forward with the transactions, PFM will negotiate on behalf of the City with SSB about the reasonableness of their rates and of the transaction as a whole. He pointed out that there is an option for the City to terminate the transaction.

City Manager Flynn stated that if the City does not look at innovative ways to protect cash assets, consideration may have to be made for raising utility rates to make up the difference.

Electric Utility Director Vallow stated that the transaction proposal is a good way to mitigate risk and recommended approval.

In reply to questions by the Council, Mr. Auslander reported that when SSB does a swap transaction, they hedge the transaction in the financial markets with an offsetting transaction. SSB benefits by "taking something out of the middle." Using an example, he explained that when SSB did another transaction where a company was paying them 5.21%, SSB was paying the City 5.11%, and they took the tenth of a percent out of the middle. Mr. Auslander concluded by stating that SSB will terminate the transactions at market value at any time they are directed to do so by the City.

Mayor Nakanishi stated that this is a prudent investment and the risk is minimal.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Pennino, Howard second, unanimously adopted Resolution No. 2001-52 entitled, "A Resolution Of The City Council Of The City Of Lodi Authorizing An Amendment To An Existing Transaction, A Second Transaction And Amendments To Transactions And New Transactions, In Each Case Under A Master SWAP Agreement And Directing Certain Actions Relating Thereto".

- E-2 "Minutes - January 17, 2001 (Regular Meeting), January 23, 2001 (Shirtsleeve Session), February 6, 2001 (Shirtsleeve Session), February 6, 2001 (Special Meeting), February 7, 2001 (Special Meeting), February 12, 2001 (Special Meeting) and February 13, 2001 (Shirtsleeve Session)"

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Pennino, Hitchcock second, unanimously approved as written the minutes of January 17, 2001 (Regular Meeting), January 23, 2001 (Shirtsleeve Session), February 12, 2001 (Special Meeting) and February 13, 2001 (Shirtsleeve Session), and further amended the minutes of February 6, 2001 (Shirtsleeve Session), February 6, 2001 (Special Meeting), and February 7, 2001 (Special Meeting) to reflect that Mayor Nakanishi was absent due to City business while attending the American Public Power Association (APPA) Legislative Rally in Washington D.C.

- E-3 "Approve plans and specifications and authorize advertisement for bids for Elm Street Improvements, School Street to Sacramento Street"

In response to Council Member Hitchcock, Public Works Director Prima described the project in detail and stated that the block of Elm Street between School and Sacramento Streets were key in terms of linking the Transit Center to rest of the downtown area.

Mayor Pro Tempore Pennino stated that he wants conduits placed in the light poles for the purpose of amplifying music through speakers on School Street.

MOTION / VOTE:

The City Council, on motion of Council Member Land, Pennino second, unanimously approved the plans and specifications for Elm Street Improvements, School Street to Sacramento Street and authorized advertising for bids.

- E-17 "Authorize the City Manager to enter into a contract with the Human Services Agency of San Joaquin County to administer an after school enrichment program at Lockeford Elementary School"

In reply to Council Member Howard, Parks and Recreation Director Baltz explained that the contract is for \$70,000 for the City to provide an after school program at Lockeford school. There is a clause allowing either party to discontinue with a 30-day notice.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Howard second, unanimously authorized the City Manager to enter into a contract with the Human Services Agency of San Joaquin County to administer an after school enrichment program at Lockeford Elementary School.

- E-23 "Authorize use of Dial-A-Ride from Delta College to Lodi, Monday through Friday evenings"

Mayor Pro Tempore Pennino stated that the Dial-A-Ride program is meant for the City of Lodi and felt that it was inappropriate to extend the route to Delta College in Stockton, particularly for only three students. At a cost of \$3,400 for Dial-A-Ride to provide this service, it would be less expensive to rent a car or pay for a taxi.

City Manager Flynn reported that the City has been working with SMART for over a year requesting that they establish a route between Lodi and Stockton. The action requested under this item is for a short-term basis until SMART establishes a route.

Transportation Coordinator Carlos Tobar stated that the San Joaquin Regional Transit District's route should be established by April 1, 2001, so the Dial-A-Ride service to and from Delta College may only be needed for a five-week time period.

Council Member Land spoke in support of assisting youth with their transportation needs to Delta College. He indicated that he was in favor of providing the service for a six-month period after which time the Council should reevaluate the need.

Mayor Pro Tempore Pennino requested that before any more transportation projects come before Council a Shirtsleeve Session be held to discuss future community transit goals and objectives.

MOTION / VOTE:

The City Council, on motion of Council Member Howard, Land second, authorized the use of Dial-A-Ride from Delta College to Lodi, Monday through Friday evenings, and further directed that this service will operate no more than 6 months or terminate at the time when San Joaquin Regional Transit District begins their services if earlier than six months. The motion carried by the following vote:

Ayes: Council Members – Hitchcock, Howard, Land and Mayor Nakanishi

Noes: Council Members – Pennino

Absent: Council Members – None

- E-24 "Set Public Hearing for March 7, 2001 to consider proposals for uses of the City's 2001-2002 Federal allocation of Community Development Block Grant (CDBG) and HOME funds"

MOTION / VOTE:

The City Council, on motion of Mayor Nakanishi, Hitchcock second, unanimously set a Public Hearing for March 7, 2001 to consider proposals for uses of the City's 2001-2002 Federal allocation of Community Development Block Grant (CDBG) and HOME funds.

I. ORDINANCES

- I-1 Ordinance No. 1698 entitled, "An Ordinance Of The Lodi City Council Amending The Official District Map Of The City Of Lodi And Thereby Rezoning Parcels Located At 18500 N. Lilac Street, Woodbridge, (Woodbridge Middle School) (APN's #015-170-10 And 015-230-07) From San Joaquin County P-F, Public Facilities To PUB, Public"

PUBLIC COMMENTS:

- Glenda Wall, 19395 Rosewood Way, Woodbridge, spoke in opposition to the annexation of Woodbridge Middle School into the City of Lodi. She expressed concern that it would eventually end up abandoned as Lincoln Elementary School was and Woodbridge would lose its identity. She indicated that many others feel as she does about this issue.

Council Member Howard commented that several people came forward during the public hearing to speak in favor of the annexation.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Mayor Pro Tempore Pennino, Hitchcock second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

I. ORDINANCES (Continued)

Upon questioning by Council Member Land, Ms. Wall acknowledged that she serves on the Woodbridge Sanitary District (WSD). Mr. Land pointed out that at the previous public hearing a representative from WSD spoke in favor of the annexation. Ms. Wall stated that the flow from Woodbridge Middle School is minimal and even if the number of students doubled, WSD could handle it.

- Mamie Starr, Assistant Superintendent of Facilities and Planning at Lodi Unified School District (LUSD), 1305 E. Vine Street, Lodi, explained that the only relationship between the sewer issue and the modified traditional calendar change has to do with adding about 30% more students on campus at one time. WSD was unable to provide LUSD with confirmation that they could handle the additional discharge without it impacting other operations of the District.

MOTION / VOTE:

Ordinance No. 1698 entitled, "An Ordinance Of The Lodi City Council Amending The Official District Map Of The City Of Lodi And Thereby Rezoning Parcels Located At 18500 N. Lilac Street, Woodbridge, (Woodbridge Middle School) (APN's #015-170-10 And 015-230-07) From San Joaquin County P-F, Public Facilities To PUB, Public" having been introduced at a regular meeting of the Lodi City Council held February 7, 2001 was brought up for passage on motion of Mayor Pro Tempore Pennino, Hitchcock second. Second reading of the ordinance was omitted after reading by title, and the ordinance was then adopted and ordered to print by the following vote:

Ayes: Council Members – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi
Noes: Council Members – None
Absent: Council Members – None
Abstain: Council Members – None

- I-2 Ordinance No. 1699 entitled, "An Ordinance Of The City Council Of The City Of Lodi Amending Title 2 – Administration And Personnel, Chapter 2.04 By Repealing And Reenacting Section 2.04.010 'Regular Meetings – Day And Time,' And Section 2.04.100 'Order Of Business – Assembly Of Officers' To The Lodi Municipal Code Relating To City Council Meetings" having been introduced at a regular meeting of the Lodi City Council held February 7, 2001 was brought up for passage on motion of Mayor Pro Tempore Pennino, Land second. Second reading of the ordinance was omitted after reading by title, and the ordinance was then adopted and ordered to print by the following vote:

Ayes: Council Members – Hitchcock, Howard, Land, Pennino and Mayor Nakanishi
Noes: Council Members – None
Absent: Council Members – None
Abstain: Council Members – None

J. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Ken Sasaki, Chairman of the Recreation Commission, 20033 N. Kenefick Road, Acampo, reported that the Commission held public workshops on January 23 and 24, to discuss Parks and Recreation project priorities and over 60 individuals were in attendance at each workshop. He outlined the priorities as follows: 1) indoor sports facility mainly for basketball, volleyball, and inside entertainment; 2) aquatics complex to accommodate swimming, diving, swim events, swimming practice, and water polo; and 3) DeBenedetti Park as a possible sports center for soccer, baseball, and football. To illustrate the need for these facilities, Mr. Sasaki reported the following:

- 106 youth were turned away from the basketball program this year;
- The City does not own a single indoor sports facility;
- Many swimmers are turned away because the City does not have adequate facilities;
- The City has not provided any new swim facilities for over 30 years; and
- There is a need for additional 90 foot baseball diamonds, football fields to practice on, and soccer fields to accommodate 600-700 youth.

Mr. Sasaki stated that the Commission would work closely with the City's budget process in an effort to have the three projects considered as top project priorities for the Council. The Commission has asked Parks and Recreation Director Baltz to investigate other facilities and make a recommendation that would best suit Lodi's needs, including an estimate of costs and a financing mechanism.

Mayor Pro Tempore Pennino expressed support for the three projects and asked what the Commission's priority was for completing the west bank of Lodi Lake.

Mr. Sasaki replied that it was the consensus of the commissioners and the public that Lodi Lake development be taken off the priority list.

Mayor Pro Tempore Pennino recalled that discussions have taken place about completing the west bank of Lodi Lake for ten years and he is committed to the project.

Council Member Hitchcock reported that she attended some of the public meetings and concurred with Mr. Sasaki's assessment that the desire of the public was to discontinue any further development of Lodi Lake. Ms. Hitchcock pointed out that all three projects were included in the development impact fee plan; however, the fees need to be updated.

Council Member Howard also stated that she attended a number of public meetings on this subject and agreed that the public felt that these three projects were a much greater need than completing the west bank of Lodi Lake.

Mr. Sasaki added that at the public meetings the word "serenity" (i.e. the need to protect it) was repeated many times during discussions of Lodi Lake.

Mayor Nakanishi requested that the Recreation Commission document its findings in writing and submit it to the Council. He reminded the audience that a Town Hall meeting would be held on March 5 to discuss projects.

Council Member Land requested that a joint meeting be scheduled with the Recreation Commission and the Council.

Mr. Sasaki stated that the Commission would like to have a one-day tour of Lodi parks with the Council. Council Member Land stated that this could be planned at the joint meeting.

In reference to Council Member Hitchcock's earlier comment, City Manager Flynn explained that development impact fees were never intended to pay for 100% of the projects.

Public Works Director Prima acknowledged that an aquatics facility proposed to be located on the west side of the City was included in the impact fee program. In that concept the basin park system described in the West Side Facility Plan had a water feature/pool. He stated that the project may have been funded at 100% in the program. DeBenedetti Park was shared funding between the storm drain program and the parks and recreation program and funded at nearly 100%. The impact fee program was adopted in 1991 and identified approximately \$4 million for community facilities under the Parks and Recreation program, which included the potential to fund additional improvements at Hutchins Street Square. The program used Hutchins Street Square, leased facilities at the Grape Festival, and City owned buildings – and calculated an additional square footage that could be added and justified under the fee program. There was no specific project identified for those funds. The total amount for the parks and recreation program in the impact fee program was \$18 million.

- Mary Pell, 917 Greenwood Drive, Lodi, stated that she is one of a coalition of citizens that favor a 5mph speed limit on Mokelumne River. She understood that the ultimate decision lies with the Board of Supervisors; however, she felt that the Council should take a formal position on the issue and make a recommendation to the County. She recalled that three times in the past, the Council requested task forces and planners to address river use. In 1967 the Community Development Department recommended a 7mph or less speed limit. In 1987 the Parks and Recreation Department Bigler Plan called for disallowing the use of large power boats and determined that wakes from the boats were breaking down the banks of the river, silting it, and destroying trees. In 1992 the Council-appointed Mokelumne River Access Task Force recommended a 5mph speed limit on the river adjacent to City properties. Additionally, this task force encouraged private property owners along the river to petition the County Board of Supervisors to create a 5mph speed limit. She requested that Council place the issue of river safety on a future agenda. Ms. Pell then read a letter from Amy Fritz, 1234 Rivergate Drive, who was unable to attend tonight's meeting, but wished to express her opinion that the river is too narrow for motorcraft and supported a 5mph speed limit. Ms. Fritz also requested that the Council place the matter on a future agenda.
- Carol Royal, 1186 N. Ham Lane, Lodi, stated that her family does not use the river because they feel it is unsafe. She pointed out that the river borders Lodi Lake park and the Council has an obligation to recommend how the Mokelumne River is utilized. She requested that the Council place this issue on a future agenda.
- Patrick McGuire, 18934 N. Lower Sacramento Road, Lodi, described personal experiences of dangerous boating situations on the river. He stated that the Mokelumne River Safety Task Force's recommendations fall short because the split use time does not ensure safety. He felt that the City has a responsibility to act on this issue because the majority of people that use the river are Lodi residents. Mr. McGuire urged the Council to place this issue on a future agenda.
- Jay Bell, 335 Louie Avenue, Lodi, announced that he was a member of the Mokelumne River Task Force. In his opinion, it appears that the City is not willing to participate in the process of placing regulations on the river even though Lodi's northern City limits are defined by the river and an overwhelming majority of citizens wish to have the regulations. He spoke about erosion due to ski boats and jet ski wakes, noise and water pollution. He urged the Council to ask the County to designate the section of Mokelumne River that borders Lodi Lake and nature area as a special use area with a speed limit of 5mph.

In response to Council Member Land, Mr. Bell stated that the majority of the task force members had a "joint use mentality" and safety was not addressed. He pointed out that four of the seven task force members had jet skis docked on the river.

In reply to Council Member Hitchcock, Mr. Bell reported that in five instances of public input opportunities with the task force, 75% of the people who spoke were in favor of a 5mph speed limit on the river or the elimination of motorcraft altogether.

- Robin Knowlton, 410 W. Oak Street, Lodi, submitted a list of counter recommendations (filed) and requested that the Council place this issue on a future agenda.

The Council expressed consensus for scheduling a special meeting to consider Mokelumne River safety issues.

K. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Howard suggested that Council consider an underpass or divider around Lockeford Street to ensure that individuals crossing the railroad tracks are safe. She commented that it was her understanding that Council considered this previously in 1995; however, with the downtown revitalization, she felt it would be appropriate at this time to reconsider the issue.

- Mayor Pro Tempore Pennino stated that an underpass would cost approximately \$12-14 million. An underpass cannot be built on Pine, Elm, or Lockeford Streets due to easements. He suggested that Council Member Howard bring this issue up during budget meetings when Council considers goal setting and project priorities. Mr. Pennino suggested an overhead pedestrian connection from the proposed indoor sports center to the parking structure.
- Council Member Hitchcock congratulated Mayor Pro Tempore Pennino on his recent award from the Council of Governments.
- Council Member Land stated that he was very proud of the Police Department for their handling of the recent shooting incident.

L. CLOSED SESSION

Mayor Nakanishi adjourned the City Council meeting at 12:20 a.m. to a Closed Session to discuss the following matters:

- L-1 Conference with labor negotiator regarding salary survey of United Firefighters of Lodi (UFL) pursuant to Government Code §54957.6; Review of salaries/survey of Council Appointees and Department Heads (Gov. Code 54957).
- L-2 Actual Litigation: Government Code §54956.9(a). One case. Susan Lynn Young and Mathew Dominic Brown vs. City of Lodi, et al., San Joaquin County Superior Court Case No. CV 002481 was ***pulled from the agenda pursuant to staff's request***
- L-3 Prospective acquisition of real property located at 307 W. Elm Street, Lodi, California, APN #037-270-17; the negotiating parties are City of Lodi and James E. & Carol A. Dean TR; Government Code §54956.8

M. RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

The City Council meeting reconvened at 1:20 a.m., February 22, 2001, and the following actions were disclosed:

In regard to L-1, the City Council, on motion of Mayor Pro Tempore Pennino, Howard second, adopted Resolution No. 2001-53 putting into effect the actions shown below:

- Implemented an overall 12.25% compensation increase for members of the United Firefighters of Lodi (UFL) bargaining unit effective the beginning of the pay period in which January 1, 2001 falls, and approved changes in holiday schedule for non-shift personnel from one floating holiday to one fixed holiday for Martin Luther King, Jr. Day;
- Implemented an overall 9.4% compensation increase for the Council Appointees, 2% deferred compensation match and increase in insurance benefits to a level equivalent to that currently received by Department Heads, effective the first full pay period in January, 2001 (NOTE: car allowance request of \$300/month for Council Appointees to be considered during budget policy discussions); and
- Adopted new salary ranges for Department Heads effective the pay period beginning March 5, 2001 (NOTE: car allowance request of \$250/month for Department Heads, with the exception of the Police and Fire Chiefs, to be considered during budget policy discussions).

The motion carried by the following vote:

Ayes: Council Members – Howard, Land, Pennino and Mayor Nakanishi

Noes: Council Members – None

Absent: Council Members – Hitchcock

Continued February 21, 2001

In regard to L-3, the City Council, on motion of Mayor Pro Tempore Pennino, Land second, authorized staff to make an offer for acquisition of property located at 307 W. Elm Street, Lodi, California (APN 037-270-17); and to authorize a City-paid financial advisor for the property owners. The motion carried by the following vote:

Ayes: Council Members – Howard, Land, Pennino and Mayor Nakanishi

Noes: Council Members – None

Absent: Council Members – Hitchcock

N. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 1:20 a.m., Thursday, February 22, 2001.

ATTEST:

Susan J. Blackston
City Clerk